

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE**  
Council of the County of Maui

**MINUTES**

**July 20, 2015**

**Council Chamber, 8<sup>th</sup> Floor**

**CONVENE:** 9:07 a.m.

**PRESENT:** Councilmember Don Couch, Vice-Chair  
Councilmember Gladys C. Baisa, Member (in 9:08 a.m.)  
Councilmember Robert Carroll, Member  
Councilmember Elle Cochran, Member  
Councilmember Stacy Crivello, Member  
Councilmember Mike White, Member

**EXCUSED:** Councilmember Michael P. Victorino, Chair  
Councilmember Don S. Guzman, Member  
Councilmember Riki Hokama, Member

**STAFF:** Kimberley Willenbrink, Legislative Analyst  
Yvette Bouthillier, Substitute Committee Secretary  
Ella Alcon, Council Aide, Molokai Council Office (via telephone conference bridge)  
Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)  
Dawn Lono, Council Aide, Hana Council Office (via telephone conference bridge)

**ADMIN.:** Michael J. Molina, Executive Assistant, Office of the Mayor (Item PIA-2(14), PIA-2(15))  
Keanu Lau Hee, Staff Specialist, Civil Defense Agency (PIA-24)  
Mark Walker, Deputy Director, Department of Finance (PIA-47, PIA-48)  
Jeffrey Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel (PIA-47, PIA-48)  
Jerrie Sheppard, Deputy Corporation Counsel, Department of the Corporation Counsel (PIA-24)  
Edward S. Kushi, Jr., First Deputy Corporation Counsel, Department of the Corporation Counsel

Seated in the audience:

Robert Collum, Staff Specialist, Civil Defense Agency (PIA-24)  
Lance Taguchi, County Auditor, Office of the County Auditor (PIA-47, PIA-48)

**PRESS:** *Akaku--Maui County Community Television, Inc.*

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**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

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VICE-CHAIR COUCH: . . .(gavel). . . Will the Policy and Intergovernmental Affairs Committee meeting of July 20, 2015, please come to order. My name is Don Couch. I'm the Vice-Chair of the Committee. Chair of the Committee Mike Victorino will not be here today. With me. . .first of all, please turn off your cell phones or put 'em in silent mode. With me today is Councilmember Carroll.

COUNCILMEMBER CARROLL: Good morning, Chair.

VICE-CHAIR COUCH: And Councilmember Cochran.

COUNCILMEMBER COCHRAN: Aloha, good morning.

VICE-CHAIR COUCH: Council Chair White.

COUNCILMEMBER WHITE: Good morning.

VICE-CHAIR COUCH: Good morning. And Councilmember Crivello.

COUNCILMEMBER CRIVELLO: Good morning.

VICE-CHAIR COUCH: Excused are Councilmember Hokama, Councilmember Guzman, Councilmember Victorino, and, coming shortly, will be Councilmember Baisa. With the Administration we will be having Mark Walker, as soon as he gets here, from the...he's the Deputy Director of Finance. And we have Keanu Lau Hee, Staff Specialist, Civil Defense Agency. Mike Molina, Executive Assistance [sic] Office of the Mayor. Ed Kushi, First Deputy Corporation Counsel. Jerrie Sheppard, Deputy Corporation Counsel. And I want to welcome Member Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

VICE-CHAIR COUCH: Good morning. Okay. Committee Staff, we have Kimberley Willenbrink, who's the Legislative Analyst. And Yvette Bouthillier, Committee Secretary. Members, we have five items today. I'm going to begin with public testimony. It doesn't look like there's anybody here in the Chambers that wants to testify. So, and we have some issues with our bridge to all the remote sites, so I'm going to...we have three cell phones set up here, and hopefully we'll catch 'em all. So at first, let's see, let's go with Hana District Office, are you there? Do you have any testifiers?

MS. LONO: Yes. Good morning, Chair. This is Dawn Lono at the Hana Office and there is no one waiting to testify.

VICE-CHAIR COUCH: Thank you. Lanai Office.

MS. FERNANDEZ: Good morning, Chair. This is Denise Fernandez on Lanai and there is no one waiting to testify.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

---

VICE-CHAIR COUCH: Thank you. And Molokai Office.

MS. ALCON: Good morning, Chair. This is Ella Alcon on Molokai and there is no one here waiting to testify.

VICE-CHAIR COUCH: Okay. Thank you, ladies. Thanks for putting up with this interesting set-up here. Alright. Members, seeing no one at the District Offices and no one here waiting to testify, let's close public testimony, without objection.

COUNCILMEMBERS VOICED NO OBJECTIONS

**ITEM PIA-2(14): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS**  
**(AFFIRMATIVE ACTION ADVISORY COUNCIL) (CC 15 2)**

VICE-CHAIR COUCH: Okay. Alright. Members, our first two items relate to Nominations to Boards, Committees, and Commissions. The Committee Staff sent an e-mail last week asking if any Member would like to request the attendance of either nominee to the meeting, there were no responses. So, I want to start off with the first one, it's on June 22, 2015 the Mayor transmitted a proposed resolution entitled Appointment of a Member to the Affirmative Action Advisory Council for the County of Maui. The purpose of the proposed resolution is to approve or disapprove the appointment of Barbara Potopowitz, hopefully I got that right, to the Affirmative Action Advisory Council, for a term expiring March 31, 2016, to fill a vacancy due to the resignation of Lilah Inaba. Mr. Molina, can you provide us with a little bit of background on the situation?

MR. MOLINA: Yes, sir. Good morning, Mr. Chairman. And good morning, Committee Members. Ms. Barbara Potopowitz, she's a former medical researcher for Yale University and also a former Director of Communications for the Connecticut State Legislature. So, she has quite an extensive background and she's also served in the community as well, both as a volunteer work here at Maui Memorial Medical Center along with the Red Cross Maui Chapter, as well as in the state of Connecticut. And she's been...she was tasked with many issues while in the state of Connecticut that dealt with affirmative action issues and she also served on the Statewide Affirmative Action Committee. The Administration feels her prior experience will certainly be an asset to the Affirmative Action Council and would like to ask you for your support. Thank you, Mr. Chairman.

VICE-CHAIR COUCH: Thank you. Members, there's a...at the back, there's her application form. Take a look at it. Any questions to Mr. Molina on this applicant?

COUNCILMEMBER BAISA: Chair?

VICE-CHAIR COUCH: Ms. Baisa?

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

---

COUNCILMEMBER BAISA: Chair, I don't have a question but just looking at the resume, and I do not know the lady but I can only look at what is in front of me. And what is in front of me tells me that this lady is uniquely qualified to sit on this Commission. She's done a lot of work specifically with women's issues and she's certainly well educated and with a degree in Humanities. I mean, I think it's a good fit. I'd like to give her a chance.

VICE-CHAIR COUCH: Okay. Any other comments? Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And yes, you pronounced her name correctly. And Ms. Potopowitz and myself were part of Committee on Status of Women. And I recall her, when she first moved over, and she just jumped right in, just started getting active and involved, and volunteered, and wanted to learn, you know, the culture, and the people, and the community. And so I, hats off to her, and I have firsthand experience working alongside her and she is a go-getter and extremely and well qualified too. So I'm happy to see her name here. Highly supportive of this nominee so, thank you very much.

VICE-CHAIR COUCH: Thank you. Any other Members? Any other comments? Okay. If that's...if there's no further discussion, I'll entertain a motion to adopt the revised proposed resolution approving the nomination by placing the name of Barbara Potopowitz on Exhibit "B" for term expiring on March 31, 2016. Ms. Cochran?

COUNCILMEMBER COCHRAN: Chair, so moved.

COUNCILMEMBER WHITE: Second.

VICE-CHAIR COUCH: Okay. It's been moved by Elle Cochran and seconded by Mike White to put her name on Exhibit "B", which is to approve. Any further discussion? All those in favor, say "aye"?

COUNCILMEMBERS: "Aye".

VICE-CHAIR COUCH: All those opposed? Motion carries. Six "ayes" and zero "noes", and three excused. And the excused, and this will be the only time I read off the names, is Riki Hokama, Don Guzman, and Mike Victorino.

<b>VOTE:</b>	<b>AYES:</b>	<b>Vice-Chair Couch, and Councilmembers Baisa, Carroll, Cochran, Crivello, and White.</b>
	<b>NOES:</b>	<b>None.</b>
	<b>EXC.:</b>	<b>Chair Victorino, and Councilmembers Guzman, and Hokama.</b>

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui**

**July 20, 2015**

---

**ABSENT: None.**

**ABSTAIN: None.**

**MOTION CARRIED**

**ACTION: Recommending ADOPTION of revised resolution approving the nomination.**

VICE-CHAIR COUCH: Okay. Members, thank you.

**ITEM PIA-2(15): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS  
(MOLOKAI PLANNING COMMISSION) (CC 15 2)**

VICE-CHAIR COUCH: Alright. Now we have number two. Item number two, which is PIA-2(15). And on July 2, 2015 the Mayor transmitted a proposed resolution entitled Appointment of a Member to the Molokai Planning Commission for the County of Maui. The purpose of the proposed resolution is to approve or disapprove the appointment of Timothy Riley to the Molokai Planning Commission for a term expiring March 31, 2018, to fill a vacancy due to the resignation of Sherry Tancayo. Mr. Molina, can you provide us some information please?

MR. MOLINA: Yes, sir. Thank you, Mr. Chairman. Dr. Timothy Riley is a new resident to Molokai with an extensive background in mental health and also mental health counseling. He previously served on the DeKalb County, Georgia Board of Commissioners, and as noted on his application, he has experience with land use planning, county budget planning, as well as ADA issues. The Administration feels Dr. Riley's ability to engage with people and various community and employment experiences will serve him well as a member of the Molokai Planning Commission, should you choose to support him. Thank you, Mr. Chairman.

VICE-CHAIR COUCH: Thank you. Members, any comment?

COUNCILMEMBER CRIVELLO: Chair?

VICE-CHAIR COUCH: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you. I'd like to thank Dr. Riley for applying for a position on the Molokai Planning Commission. I can appreciate that, especially he being a newcomer. That being said, I don't know where his Aloha Counseling Center is located but it's definitely not on Molokai. And I can recognize his experience and, I guess in, from the state of Georgia. And he also tried to make contact to meet with me, and I'm sorry I wasn't able to fit that in my schedule. And I'm sure as he starts to make Molokai his home, he's going to find that it's not just as simple as where...to serve on the Planning Commission as such. So at this stage, I appreciate the Mayor

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

---

submitting names and I'm hoping there's more applicants from the island itself. And at this time, I cannot support Timothy Riley for this position.

VICE-CHAIR COUCH: Okay. Any further comment? I do have similar concerns as Ms. Crivello. The short time of being on Molokai, and he did try to reach out to me too, but it was just before we were all heading out. So, Mr. Molina, have...what's the status of people wanting to be on the Planning Commission on Molokai?

MR. MOLINA: Mr. Chairman and Committee Members, well to be quite honest, it's like pulling teeth, right now. It's been challenging getting people to volunteer their time to serve on this particular Commission. As far as applications at this point we only have, I believe, two people that have actually submitted applications. We have actively tried to look for others. Those that we've considered are already serving on other boards and commissions, which would make it very difficult for them to serve on, you know, this particular Commission as well. But the Administration, like we do for all of our boards and commissions, appreciate any input or advice, the...any Member from the Council can give as to someone else who may be interested in this particular position, or any of our boards and commissions. And, just to make a clarification with regards to Councilmember Crivello's question with regards to Dr. Riley's Aloha Clinic, I did contact Dr. Riley, he said the name of his clinic was called Aloha but it was based in Georgia, so I kind of had that same question when I'd heard. But, it was actually the name of his business in Georgia, Aloha Clinic, DeKalb, Georgia. So, just as a point of information.

VICE-CHAIR COUCH: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Just a comment to Mr. Molina, I understand sometimes it can be difficult. But I think we have just so many days and I will try and do some legwork to assist. I do get contact from Molokai residents that their applications, many times, are not even considered, you know, for whatever reasons. So, you know, to...and I know it can be hard but I also get feedback that when members of the island is not even considered. So, I will try and make some phone calls and see if we can get other people to put in their applications. I appreciate it, Mr. Molina. Thank you.

VICE-CHAIR COUCH: Members, any other questions? Chair White?

COUNCILMEMBER WHITE: Thank you, Chair.

VICE-CHAIR COUCH: Then followed by Ms. Baisa.

COUNCILMEMBER WHITE: Mr. Molina, do you know how much time Mr. Riley has spent on Molokai? And is he a current permanent resident or is he still traveling back to Georgia?

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

---

MR. MOLINA: Mr. Chair and Mr. Chair, Dr. Riley told me he's been here about, been on Molokai roughly two years. He's looked at Molokai as settling down and retiring there. But he's been on the island roughly two years at this point.

COUNCILMEMBER WHITE: But you said he's looking at settling down there. Does that mean he's still working in Georgia?

MR. MOLINA: No. No, his business has closed down in Georgia. The...I did get that confirmation. So the business is not operating there anymore. And he's found Molokai is his retirement home.

COUNCILMEMBER WHITE: Okay. Chair, I would have the same concerns that Ms. Crivello has. We may need to look a little deeper. But so, thank you.

VICE-CHAIR COUCH: Okay. Ms. Baisa?

COUNCILMEMBER BAISA: Chair, I also was contacted by e-mail by Dr. Riley. I was not able to meet with him. And I pay close attention to the representative of the district that we are discussing, and I share my colleague's concerns from Molokai, that maybe a little more time on Molokai might be useful in a Planning Commission. If he were going to do something else, I would not be so concerned but, you know, when you're planning the future of an area, I think it's really important that you have some historical background. And I think a little more would be better. Thank you.

VICE-CHAIR COUCH: Okay. Mr. Carroll?

COUNCILMEMBER CARROLL: Thank you, Chair. It's unfortunate that he's not here and we're not able to talk to him so I'm going to defer to the Molokai Member because she has much more knowledge of her area and the people. It's unfortunate because his qualifications are outstanding. The...what he has before and I think it would have been an asset, but without knowing him and the short time he was there, I will take the Councilmember from Molokai's recommendation.

VICE-CHAIR COUCH: Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And I'll chime in and I too was contacted by Mr. Riley but, unfortunately, did not have time to return his call or a meeting. And, again, yeah it's unfortunate too that he's not here for us to just meet him firsthand, collectively. But I agree with Councilmember Crivello's take on this particular applicant. And he does have some great, you know, background knowledge on things that could be of assistance. But I think the actual local, sort of, knowledge and just more, you know, knowledge about just living on the island, with the people of the island, would be a lot more helpful at this time. So, thank you, Chair. And I'll wait for the recommendation.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui**

**July 20, 2015**

---

VICE-CHAIR COUCH: Okay. Any further comment? I have some, as well. I think, we want to certainly thank Dr. Riley for submitting his name for being on a commission or a board. I think throwing him into the Planning Commission is way too much. Especially the Molokai Planning Commission or any Planning Commission in this County. So, I don't think he would be denied in any other capacity, but the Planning Commission, at this point, is...it was a little too much. And I think that's...I'm getting the gist of all the Members. So, no disrespect or anything to Dr. Riley. He's very well qualified to be on a board or commission, probably not any Planning Commission at this time. Because you gotta get a taste of where you live before you can work on the planning, in my opinion. So, if there's no...is there any further comments? Okay. If there's no further comments, I'd like to make a recommendation.

COUNCILMEMBERS: Recommendation?

VICE-CHAIR COUCH: Okay. It's been...it's the...listening to all the Members, it's the Chair's recommendation that I'll entertain a motion to adopt the revised proposed resolution disapproving the nomination by placing the name of Timothy Riley on Exhibit C for a term...for no term. So we don't have to worry about a term on this one. So, anybody want to make that motion? Ms. Crivello?

COUNCILMEMBER CRIVELLO: So moved, Chair.

COUNCILMEMBER WHITE: Second.

VICE-CHAIR COUCH: Okay. It's been moved by Member Crivello and seconded by Member White to approve the...adopt the resolution by putting the name of Timothy Riley on Exhibit "C" for disapproval. Any further discussion? All those in favor, say "aye"?

COUNCILMEMBERS: "Aye".

VICE-CHAIR COUCH: Opposed? Let the...motion passes. Six "ayes", zero "noes", three excused.

<b>VOTE:</b>	<b>AYES:</b>	<b>Vice-Chair Couch, and Councilmembers Baisa, Carroll, Cochran, Crivello, and White.</b>
	<b>NOES:</b>	<b>None.</b>
	<b>EXC.:</b>	<b>Chair Victorino, and Councilmembers Guzman, and Hokama.</b>
	<b>ABSENT:</b>	<b>None.</b>
	<b>ABSTAIN:</b>	<b>None.</b>

**MOTION CARRIED**

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

---

**ACTION:     Recommending ADOPTION of revised resolution disapproving the nomination.**

VICE-CHAIR COUCH: Okay. Thank you, Members.

**ITEM PIA-24:     APPROVING INSTALLATION OF SIRENS FOR THE HAWAII STATE EMERGENCY OUTDOOR SIREN WARNING SYSTEM (CC 15-127)**

VICE-CHAIR COUCH: Next we have item PC-24.

UNIDENTIFIED SPEAKER: PIA.

VICE-CHAIR COUCH: PI, I'm sorry...yeah sorry. This is PIA. We're having the staff, the Administration staff, thank you, Mr. Molina for being here. Okay. Item number three is approving the installation of sirens for the Hawaii State Emergency Outdoor Siren Warning System, PIA-24. On July 8, 2015 the Corporation Counsel transmitted a revised proposed resolution entitled Approving the Installation of Sirens in the County of Maui Relating to the Hawaii State Emergency Outdoor Siren Warning System. The purpose of the proposed resolution is to authorize the grant of six lease agreements to the State, for the installation of emergency outdoor warning sirens at the following six locations: (1) Kenolio Park in Kihei; (2) Richard "Pablo" Caldito Park in Waihee; (3) airport Kanaha Beach in Kahului; (4) Paia Youth and Cultural Center in Paia; (5) Papohaku Beach Park on Molokai; and (6) One Alii Park on Molokai. Today we have...we don't have Anna Foust, we have Keanu Lau Hee. Is that...did I pronounce that right? Or Hee?

MS. LAU HEE: Lau Hee.

VICE-CHAIR COUCH: Okay. Thank you. From the Maui Civil Defense Agency, thank you for joining us. Can you give us a little bit of heads-up of what's going on?

MS. LAU HEE: Sure. Thank you. Good morning. So this project is to retrofit and modernize, as well as add, outdoor warning sirens throughout the County of Maui. And it's completely funded by the State of Hawaii and managed by the Hawaii Emergency Management Agency, previously known as State of Hawaii Civil Defense. This project will consist of three phases; we're looking at lease agreements for the first phase, which will consist of 12 sirens. Phase two will consist of 17 sirens and phase three will consist of 28 sirens. The new sirens are all electronic, solar powered, and consist of fiber glass composite poles. And, in addition, they'll add more coverage to areas where we are lacking some coverage.

VICE-CHAIR COUCH: Okay. Anything else from Corp. Counsel? No. Okay. Members, any questions? Ms. Cochran?

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

---

COUNCILMEMBER COCHRAN: Thank you, Chair.

VICE-CHAIR COUCH: I know, where's your siren?

COUNCILMEMBER COCHRAN: Always my question, but aloha and thank you, ladies, for being here and, gentlemen, Mr. Kushi. So they are solar powered, thereby no electric connection to these? Chair, can Ms. Lau Hee or...

VICE-CHAIR COUCH: Yeah.

MS. LAU HEE: Yes, they're completely solar powered with battery backups.

COUNCILMEMBER COCHRAN: Okay. Solar and battery backup. And, so the most...so I'm focusing on northwestern end, like Kapalua, in that vicinity. Because where I live in Honolua Valley, then the valleys over Punalau, Honokohau, we do not get coverage, so in your other phases, will there be the sirens leading out that way? Do you know? Chair?

VICE-CHAIR COUCH: Go ahead.

MS. LAU HEE: Yeah. So, we are going to be adding a siren out in...more toward the Kapalua area, and like I said we are adding more coverage so testing on Kauai has shown that it does expand over to a mile and a half. The issue that State usually has when picking siren sites is that we have to get good cell coverage or satellite range. So, that's how we trigger the sirens to sound. So if we don't have a good signal, we won't be able to sound the siren. For your area, where we lack coverage... 'cause we do have areas along coastal regions that we lack coverage, we do have Civil Air Patrol, which provides outdoor warning. As well as, we have PD go and circulate the area if we have to evacuate.

COUNCILMEMBER COCHRAN: Right. Okay. Yeah that's been the practice throughout the years. There were a couple of incidences where several of us did not hear any of the warnings. The air patrol, neither by bullhorn or however the MPD drives around and circulates, you know, by the entrances of the valleys. So, one day hopefully, coverage will be sufficient to go all around the islands. So, thank you though, for the expansion of the service. Thank you, Chair.

VICE-CHAIR COUCH: So does that mean you don't get cell service . . . where you are?

COUNCILMEMBER COCHRAN: Depends who's calling. No. We have, I don't know, my husband has some kind of hookup that can, yeah, enhance the reception. But normally, no it's not very well. So, if you're trying to reach me for work, I, that's why. No, I'm just kidding. It's fine.

VICE-CHAIR COUCH: Okay. Any further comment? If not, the Chair's going to make a recommendation.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui**

**July 20, 2015**

---

COUNCILMEMBERS: Recommendation?

VICE-CHAIR COUCH: Thank you. Chair will entertain a motion to adopt the revised proposed resolution entitled Approving the Installation of Sirens in the County of Maui Relating to the Hawaii State Emergency Outdoor Siren Warning System, allowing the Staff to make nonsubstantive revisions to the resolution, and filing of County Communication 15-127.

COUNCILMEMBER WHITE: So moved.

COUNCILMEMBER COCHRAN: Second, Chair.

VICE-CHAIR COUCH: Okay. It's been moved by Chair White and seconded by Member Cochran. Any further discussion? All those in favor, please say "aye"?

COUNCILMEMBERS: "Aye".

VICE-CHAIR COUCH: Opposed? Let the record show measure passes with six "ayes" and zero "nays", and three excused.

**VOTE:       AYES:       Vice-Chair Couch, and Councilmembers Baisa, Carroll, Cochran, Crivello, and White.**

**NOES:       None.**

**EXC.:       Chair Victorino, and Councilmembers Guzman, and Hokama.**

**ABSENT:    None.**

**ABSTAIN:   None.**

**MOTION CARRIED**

**ACTION:    Recommending ADOPTION of revised resolution; and FILING of communication by C.R.**

VICE-CHAIR COUCH: Okay. Next up...thank you, ladies.

MS. LAU HEE: Thank you.

COUNCILMEMBER COCHRAN: Well, we're moving right along.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

---

VICE-CHAIR COUCH: Members, we're going to do a short recess until we can find Mr. Walker. I believe we need Mr. Walker or Mr. Agsalog for this next one and neither one is here. So we're going to do a short recess to the call of the Chair. . . .(gavel). . .

**RECESS: 9:31 a.m.**

**RECONVENE: 9:36 a.m.**

VICE-CHAIR COUCH: . . .(gavel). . . Will the Policy and Intergovernmental Affairs Committee meeting of July 20<sup>th</sup> please come back to order. With us today we have Mr. Walker, the Deputy Director of Finance. Good morning, Mr. Walker.

MR. WALKER: Good morning.

**ITEM PIA-47: INTERGOVERNMENTAL AGREEMENT WITH STATE EMPLOYEES' RETIREMENT SYSTEM TO ACQUIRE A GOVERNMENTAL ACCOUNTING STANDARDS BOARD REPORT (CC 15-183)**

VICE-CHAIR COUCH: All right, Members, our item today is talking about an Intergovernmental Agreement with the State Employees' Retiring System to Acquire a Governmental Accounting Standards Board Report. And it's PIA-47. On July 13, 2015 Corporation Counsel transmitted a revised proposed bill entitled A Bill for an Ordinance Authorizing the Mayor of the County of Maui to Enter into an Intergovernmental Agreement with Employees' Retirement System of the State of Hawaii Relating to the Acquisition of a Governmental Accounting Standards Board Statement No. 68 Report. The purpose of the revised bill is to authorize the Mayor to enter into an intergovernmental agreement with the ERS to obtain a Governmental Accounting Standards Board, GASB, statement No. 68 report from its actuary at an estimated cost of \$1,500. The revised proposed bill incorporates nonsubstantive revisions, and we're ready for Mr. Walker. Can you tell us a little bit more about this? I know we had it in the previous meeting but...

MR. WALKER: This is a new requirement of GASB 68, which is basically related to pensions and the new requirement that we provide much more of that information that had been previously required in our annual CAFR. And basically the ERS has most of the information but the actuary is the one who has to glean the information and compile this new report. This MOU before you, is asking us to pay our pro rata share of that work, which I believe is divided among nine other governmental agencies. And that's really all it is.

VICE-CHAIR COUCH: Okay. And I believe, we had some questions on the math, but I guess that's just the way it is.

MR. WALKER: On the --

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

---

VICE-CHAIR COUCH: Yeah.

MR. WALKER: --2014?

VICE-CHAIR COUCH: Right.

MR. WALKER: Yeah. I mean, they'll always be one year behind.

VICE-CHAIR COUCH: Yeah.

MR. WALKER: Right.

VICE-CHAIR COUCH: Okay. Members, we had some...on July 10<sup>th</sup>, the Director responded to the Committee's questions from the last meeting. Does anybody have any questions, in response to those responses? I think we're, we are aware of what they want to do, I know some of us aren't happy with that but it's a requirement of the GASB 68. So, I don't see any...I don't know that we have any alternative. So, any comments? Mr. White?

COUNCILMEMBER WHITE: I know the amount is not very large at \$1,500, but some of the entities involved are significantly larger than Maui County. So I'm just wondering why the \$13,500 fee is divided equally, as opposed to proportion based on our number of employees in the ERS, because the State of Hawaii has way more than we do, the City and County of Honolulu has way more than we do. So, I'm just wondering why it hasn't been prorated as opposed to divided separately.

MR. WALKER: Mr. Chair. I wasn't privy to the negotiations, the ERS, you know, negotiated that and said, here it is. And so, I understand where you're coming from but I think it was simple math to divide by ten as opposed to...I mean, I don't know why it isn't prorated to your number of employees or anything. I don't have an answer for that.

COUNCILMEMBER WHITE: Or the amount of our unfunded liability or something other than, just a straight...

VICE-CHAIR COUCH: Straight across the board. Yeah.

COUNCILMEMBER WHITE: Yeah.

VICE-CHAIR COUCH: I know. Sometimes...

COUNCILMEMBER WHITE: 'Cause here we are picking up the State's tab once again.

VICE-CHAIR COUCH: Yes. Here we are picking up the State's tab but I think it's going to cost us more than \$1,500 bucks to argue it, so unfortunately. Any other comments?

COUNCILMEMBER WHITE: But we're always more than happy to argue.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

---

VICE-CHAIR COUCH: I know, I know.

COUNCILMEMBER WHITE: Especially with Mr. Ueoka backing us up.

VICE-CHAIR COUCH: Yes, I know. Mr. Ueoka --

COUNCILMEMBER BAISA: Chair?

VICE-CHAIR COUCH: --is very arguable --

COUNCILMEMBER BAISA: Chair?

VICE-CHAIR COUCH: Ms. Baisa?

COUNCILMEMBER BAISA: Yes, thank you, Chair. I'm trying to recall all the discussion that we had about this. Do I remember or am I recalling correctly that the other counties have agreed?

MR. WALKER: That's my understanding.

COUNCILMEMBER BAISA: Okay. Kinda seems like a moot argument. But, you know, I agree with Chair. But I think maybe we might want to just get this done.

VICE-CHAIR COUCH: Yeah. And maybe give a...

COUNCILMEMBER BAISA: And write a letter about...

VICE-CHAIR COUCH: Write a letter saying, you know...

COUNCILMEMBER BAISA: A letter of protest that nobody wants to hear about but hey, we can try.

VICE-CHAIR COUCH: Why isn't it prorated as opposed to...

COUNCILMEMBER BAISA: Yeah.

UNIDENTIFIED SPEAKER: Right.

VICE-CHAIR COUCH: Is it divided up equally?

MR. WALKER: Chair? And I might add that this is going to be an annual event.

VICE-CHAIR COUCH: Right.

MR. WALKER: And so we have the opportunity --

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui**

**July 20, 2015**

---

COUNCILMEMBER BAISA: Good.

MR. WALKER: --let's say, next year, to maybe come back and say, maybe --

COUNCILMEMBER BAISA: Yes

MR. WALKER: --a fair way is to do it this way.

VICE-CHAIR COUCH: Yeah.

MR. WALKER: And arm-wrestle a little bit.

COUNCILMEMBER BAISA: Thank you.

VICE-CHAIR COUCH: Okay. So, Staff, you got that? We're going to try and do a letter asking why it's not prorated by the amount of employees or some other reason as opposed to divided equally amongst everybody. Okay. So, Members, any further discussion? Hearing none, I'll offer a recommendation.

COUNCILMEMBERS: Recommendation?

VICE-CHAIR COUCH: Okay. The Chair will entertain a motion to adopt the revised proposed bill entitled A Bill for an Ordinance Authorizing the Mayor of the County of Maui to Enter into an Intergovernmental Agreement with the Employees' Retirement System of the State of Hawaii Relating to the Acquisition of a Governmental Accounting Standards Board Statement No. 68 Report, and filing of County Communication 15-183.

COUNCILMEMBER BAISA: So moved.

COUNCILMEMBER WHITE: So moved.

VICE-CHAIR COUCH: Okay. I got two --

COUNCILMEMBER WHITE: Second.

VICE-CHAIR COUCH: --firsts, so it's moved --

COUNCILMEMBER BAISA: Whatever.

VICE-CHAIR COUCH: --by Ms. Baisa and seconded by Chair White. Members, any further discussion? All those in favor, please say "aye"?

COUNCILMEMBERS: "Aye".

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

---

VICE-CHAIR COUCH: All opposed? Let the record show the motion passes six, zero, and three excused.

**VOTE: AYES: Vice-Chair Couch, and Councilmembers Baisa, Carroll, Cochran, Crivello, and White.**

**NOES: None.**

**EXC.: Chair Victorino, and Councilmembers Guzman, and Hokama.**

**ABSENT: None.**

**ABSTAIN: None.**

**MOTION CARRIED**

**ACTION: Recommending FIRST READING of revised bill; and FILING of communication by C.R.**

**ITEM PIA-48: INTERGOVERNMENTAL AGREEMENT WITH STATE OFFICE OF THE AUDITOR TO AUDIT THE SCHEDULE OF ALLOCATIONS OF THE STATE EMPLOYEES' RETIREMENT SYSTEM (CC 15-184)**

VICE-CHAIR COUCH: Okay. Members, we're onto our last item. It's PIA 48. Okay. And that is an Intergovernmental Agreement with the State Office of Auditor to Audit the Schedule of Allocations of the State Employees' Retirement System, it's PIA-48. On July 13, 2015 the Corporation Counsel transmitted a revised proposed bill entitled A Bill for an Ordinance Authorizing the Mayor of the County of the Maui to Enter into an Intergovernmental Agreement with the Office of the Auditor, State of Hawaii to Audit the Schedule of Allocations of the Employees' Retirement System of the State of Hawaii, ERS. The purpose of the revised bill is to authorize the Mayor to enter into an intergovernmental agreement with the Office of the Auditor, State of Hawaii, to audit the schedule of allocations of the ERS for Fiscal Year ended June 30, 2014, in order to complete the CAFR audit for Fiscal Year 2015 at a cost of \$3,900. On July 10, 2015, the Director of Finance responded to the Committee's questions at the last meeting. Mr. Walker, can you go over your responses for that, please?

MR. WALKER: Well again, I guess the question was, is there another way to get the information and I mean we could hire our own auditor, I guess, to go in and do that. That would be very, very expensive, in the tens of thousands of dollars, if we could find someone to do it. And so, this is a requirement. It's the same GASB 68, it's required that the information provided by the actuary be audited. And I know the Legislative Auditor, as well, as our current auditor N&K both believe that this is proper, that we should do this. And so, I am recommending that you pass this. Again, it's all sort of

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

---

packaged with the previous item, 47. This is just the second step of that, getting the actual work audited. And we will need that again for the CAFR.

VICE-CHAIR COUCH: Okay. Members, any questions or comments? Mr. White?

COUNCILMEMBER WHITE: Unlike the previous item, I don't see a total cost. Is it correct to assume that this \$3,900 is our 1/9th share again?

MR. WALKER: Yes.

COUNCILMEMBER WHITE: Okay. I'll just enter the same objection. Thank you, Chair.

VICE-CHAIR COUCH: Thank you. And I guess I have a question is that, we do have a County Auditor, is there any reason why that they can't do that or is, we can't direct them?

MR. UEOKA: If I may, Mr. Chair?

VICE-CHAIR COUCH: Mr. Ueoka. Yeah.

MR. UEOKA: Thank you. This is actually an audit of the ERS' actuary. So...and my understanding is, the ERS' actuary wouldn't necessarily...they're not in contract with our auditor so our auditor probably couldn't audit them.

VICE-CHAIR COUCH: Okay. Thank you. Members, any further discussion? Seeing none, the Chair's ready to make his recommendation.

COUNCILMEMBERS: Recommendation?

VICE-CHAIR COUCH: Okay. Members, the Chair will entertain a motion to adopt the revised proposed bill, to pass the revised proposed bill entitled A Bill for an Ordinance Authorizing the Mayor of the County of Maui to Enter into an Intergovernmental Agreement with the Office of the Auditor, State of Hawaii to Audit the Schedule of Allocations of the Employees' Retirement System of the State of Hawaii ERS, and filing of County Communications 15-184.

COUNCILMEMBER WHITE: So moved.

COUNCILMEMBER CRIVELLO: Second.

VICE-CHAIR COUCH: Okay. It's been moved by Chair White and seconded by Member Crivello. Any further discussion? All those in favor, say "aye"?

COUNCILMEMBERS: "Aye".

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui**

**July 20, 2015**

---

VICE-CHAIR COUCH: Opposed? Let the record show that the measure passes six "ayes", zero "noes, and three excused.

**VOTE:**           **AYES:**           **Vice-Chair Couch, and Councilmembers Baisa, Carroll, Cochran, Crivello, and White.**

**NOES:**           **None.**

**EXC.:**           **Chair Victorino, and Councilmembers Guzman, and Hokama.**

**ABSENT:**       **None.**

**ABSTAIN:**     **None.**

**MOTION CARRIED**

**ACTION:**       **Recommending FIRST READING of revised bill; and FILING of communication by C.R.**

VICE-CHAIR COUCH: Thank you, Mr. Walker.

MR. WALKER: Thank you, Chair and Committee Members.

VICE-CHAIR COUCH: And, Staff, you have the letter request? Okay. Ms. Baisa?

COUNCILMEMBER BAISA: Chair, just before we wind up, we were going to write a letter about that item, about item 47. Should we also include in that letter something about 48, so that we cover both things? Both allocations?

VICE-CHAIR COUCH: Members, is that...

COUNCILMEMBER BAISA: Or was it just a ninth on the...

VICE-CHAIR COUCH: Well no, he said it was the same thing. And Mr. White had the same protest. So I'm --

COUNCILMEMBER BAISA: Just...

VICE-CHAIR COUCH: --thinking with if...

COUNCILMEMBER BAISA: ...*(inaudible)*...

VICE-CHAIR COUCH: Yeah.

COUNCILMEMBER BAISA: Mention both things in the letter --

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**July 20, 2015**

---

VICE-CHAIR COUCH: Mention both--

COUNCILMEMBER BAISA: --is what I'm trying to say --

VICE-CHAIR COUCH: -- items in the letter.

COUNCILMEMBER BAISA: --don't leave one out.

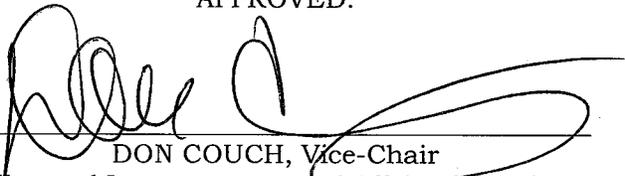
VICE-CHAIR COUCH: Okay.

COUNCILMEMBER BAISA: Yeah. Thank you.

VICE-CHAIR COUCH: Okay. Alright. Members, thank you very much for joining us this morning, and this meeting is adjourned. . . .(gavel). . .

**ADJOURN:** 9:48 a.m.

APPROVED:

A handwritten signature in black ink, appearing to read 'Don Couch', written over a horizontal line.

DON COUCH, Vice-Chair  
Policy and Intergovernmental Affairs Committee

pia:min:150720:tc

Transcribed by: Tiare del Castillo

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui**

**July 20, 2015**

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CERTIFICATE

I, Tiare del Castillo, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 29<sup>th</sup> day of July, 2015, in Pukalani, Hawaii

A handwritten signature in black ink, appearing to read 'Tiare del Castillo', written over a horizontal line.

Tiare del Castillo